

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JONATHAN CREEK WATER DISTRICT

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ALLEGED VIOLATION OF KRS 278.020(1)

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) CASE NO. 94-383  
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O R D E R

Jonathan Creek Water District ("Jonathan Creek") is a utility subject to the Commission's jurisdiction pursuant to KRS 278.015.

On February 22, 1994, Jonathan Creek requested authorization to replace existing lines and main extensions and to construct two new wells, a 2 million gallon per day capacity water treatment plant with a 400,000-gallon clearwell, and a booster pump station. On August 8, 1994, the Commission entered its Order in Case No. 94-073<sup>1</sup> authorizing the construction on the condition that service levels be monitored and corrective action taken in accordance with Commission regulations. The Order also, inter alia, approved Jonathan Creek's financing plan consisting of a \$2,612,500 loan from Kentucky Infrastructure Authority ("KIA") and a \$750,000 Community Block Development Grant.

Jonathan Creek also applied for authorization to build a line ("the NMWD Line") connecting Jonathan Creek with North Marshall

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<sup>1</sup> Case No. 94-073, Application of Jonathan Creek Water District for Certificate of Public Convenience and Necessity, Long Term Financing by KIA: A General Rate adjustment and Request for a Variance on Financial Data Submitted.

Water District ("NMWD"). However, construction of the NMWD Line had already occurred pursuant to an Agreed Order with the Natural Resources and Environmental Protection Cabinet, Division of Water.<sup>2</sup>

KRS 278.020(1) prohibits any person, partnership, public or private corporation from beginning construction of any plant, equipment, property or facility for furnishing to the public any of the services enumerated in KRS 278.010 until such person has obtained from the Commission a certificate that public convenience and necessity require such construction. The Commission will not grant a Certificate of Public Convenience and Necessity for a project that has been completed. Therefore, the Commission did not approve the NMWD Line when it issued the final Order in Case No. 94-073.

Based on the foregoing, the Commission finds that prima facie evidence exists that Jonathan Creek failed to comply with KRS 278.020(1).

IT IS THEREFORE ORDERED that:

1. Jonathan Creek, represented by counsel, shall appear before the Commission on November 15, 1994, at 10:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of presenting evidence concerning the alleged violation of KRS 278.020(1) and of

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<sup>2</sup> T.R., p. 42, Case No. 94-003, Application of North Marshall Water District for (1) Certificate of Public Convenience and Necessity (2) Approval of Financing Through KIA (3) General Rate Increase and (4) Request for Approval of Variance on Financial Data, May 3, 1994 hearing.

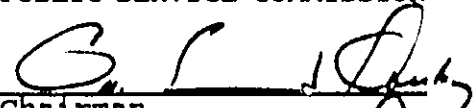
showing cause why it should not be subject to the penalties prescribed in KRS 278.990(1) for the alleged violation.

2. Jonathan Creek shall submit to the Commission, within 20 days of the date of this Order, a written response to the allegations.

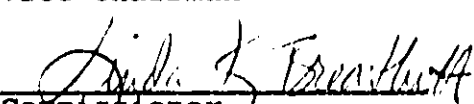
3. Any motion requesting any informal conference with Commission Staff to consider any matter which would aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 13th day of October, 1994.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director